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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 06/25/08

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ARTICLES:

- (1) Sugimoto to be appointed as administrative vice finance minister

MAINICHI (Page 3) (Full)
June 25, 2008

Finance Minister Fukushima Nukaga decided yesterday to appoint

Budget Bureau Director General Kazuyuki Sugimoto to succeed Administrative Vice Minister Hiroki Tsuda. Tsuda and National Tax Agency Commissioner Jiro Makino will resign from their current posts. Nukaga will also pick Policy Research Institute President Michitoo Ishii to succeed Makino. To replace Ishii, Minister's Secretariat Deputy Vice Minister Yasutake Tango will be named director general of the Budget Bureau. After obtaining cabinet approval, the ministry will officially announce these appointments in early July.

It was discovered in early June that many Finance Ministry staff members had accepted favors from taxi drivers. Nukaga was searching for the right timing to appoint senior officials. He will appoint them because there is hope of announcing the result of a final investigation into the taxi scandal and punishments for ministry staff involved. Sugimoto served as a secretary to Prime Minister Yoshiro Mori.

Administrative Vice Finance Minister

Kazuyuki Sugimoto graduated from the University of Tokyo's law faculty and entered MOFA in 1974. He has been serving as director general of the Budget Bureau since July 2007 after serving as deputy vice minister of Minister's Secretariat. He hails from Hyogo Prefecture. He is 57.

National Tax Agency Commissioner

Michitoo Ishii graduated from the University Tokyo's law faculty and joined MOFA in 1974. He has been serving as president of the Policy Research Institute since July 2007 after serving as Budget Bureau

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chief. He hails from Tokyo. He is 56.

(2) New lineup of senior officials of Japanese Embassy in Washington

BUNGEI SHUNJU (Page 236) (Full)
July 2008

The Ministry of Foreign Affairs (MOFA) picked new senior officials at the Japanese Embassy in the United States.

Ichiro Fujisaki, former ambassador at the Permanent Mission of Japan to the International Organizations in Geneva, who joined the Ministry of Foreign Affairs (MOFA) in 1969, has arrived at the post of ambassador to the United States, succeeding Ryoza Kato, who served in the post for six and half years. Kenji Shinoda, former consul general in Chicago, who entered MOFA in 1976, has assumed the post of deputy chief of mission, the no. 2 post at the Embassy. The appointments of Fujisaki and Shinoda have now filled the two vacancies there.

But the future will not be easy for them. The reason is that Fujisaki was unexpectedly appointed ambassador because the ministry had failed to promote Ambassador to Britain Shin Ebihara to the post of administrative vice minister. There is a rumor that in picking his successor former Vice Administrative Minister Shotaro Yachi, who has a reputation of being a patriot, gave priority to protecting the order in the ministry over national interests.

It is said that Fujisaki pays too much attention to such minor points as schedules and procedures and that he is a typical diplomat who cannot see the forest for the trees. The Embassy is in mortal fear of him. Reportedly, his first concern has been to throw the first ball at a Major League baseball game in which a Japanese player is on the team. He is vying with his predecessor, Kato, a baseball fan who will now be appointed Japan's baseball commissioner.

Although Shinoda has experience serving in the United States, he is basically a member of the Russia School in the ministry. He served as Russian Division director during the final period of Lower House member Muneo Suzuki's overwhelming influence over the ministry. He received a punishment for his Suzuki ties. He is a contemporary of

such talented officials as Asian and Oceanian Affairs Bureau Director General Akitaka Saiki, his predecessor, and Koji Tsuruoka, who, it is rumored, will be promoted to the post of director general of the International Legal Affairs Bureau. The impression of Shinoda is that he cannot hold a candle to Saiki in running the Embassy in Washington as deputy chief of mission.

Minister Yutaka Yokoi, the third ranking officer in the Washington Embassy, joined MOFA in 1979, and is a China School member. He served as director of the China and Mongolia Division.

Therefore, the top three posts at the Embassy in the United States are served by those who are not U.S. experts.

(3) Column Koyusho: Daniel Russel, American martial artist

NIKKEI (Page 44) (Full)
June 25, 2008

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Tetsuma Esaki, Liberal Democratic Party deputy secretary general

"If you are not going to listen to my speech, get out of here!" When they heard the fluent and harsh Japanese echoing throughout the junior high school gymnasium, the students suddenly went quiet. The lecturer was Daniel Russel, a U.S. diplomat. He was giving a speech, the theme of which was: "Japanese people should speak without hesitation." His remarks got to the hearts of the teachers, who find themselves unable to scold their students for talking, and impressed other adults, including myself.

I first met Russel about two decades ago when he came to Japan as assistant to Ambassador Mike Mansfield. I was then a secretary to the late House of Representatives member Masumi Esaki, who made a great effort to ease trade friction with the United States. Esaki served as minister for international trade and industry. We got along smoothly because Russel is a grade holder of Shorinji Kempo and I am a grade holder of the art of weaponless self-defense. Since then we have been friends, almost like family.

Russel has been consul general at Osaka-Kobe, after having served at the U.S. embassies in South Korea, Cyprus, and the Netherlands. He often says: "The governments of the United States and Japan won't be able to maintain close relations unless they discuss issues on an equal footing." We felt embarrassed to hear what he said, since we cannot even talk straightforwardly to junior high students.

Russel will return to his country in July to assume the post of director for Japanese affairs at the U.S. Department of State. I believe that with his assumption of that position, relations between Japan and the United States will deepen further. I would like to visit Washington to see him at his desk when he gets settled.

(4) Ma Ying-jeou administration's Japan policy: Hard-line stance over Senkaku islands issue, also affected by absence of Japan experts

YOMIURI (Page 13) (Abridged slightly)
June 25, 2008

Toshinao Ishi, Taipei Branch

Unlike the previous Chen Shui-bian administration in Taiwan, the Nationalist Party (Kuomintang or KMT) government led by Ma Ying-jeou is indicating a stance of distancing itself from Japan. Japan is urged to strengthen a dialogue with Taiwan.

Basically, it is fair to say that Taiwan is basically pro-Japanese. Since Taiwanese tourists to Japan were exempted from visa requirements in 2005, more than 2.4 million people visit Japan annually. Japan has ranked first in recent popularity rating surveys in Taiwan, overtaking the U.S. The sentiment of people of Taiwan toward Japan is favorable. Japan's relations with the island during the previous government led by Chen of the pro-Japanese Democratic Progressive Party (DPP) were never better after 1972, the year

when Japan and Taiwan severed diplomatic ties, according to a source informed of relations between Japan and Taiwan. Following this past trend, President Ma Ying-jeou had repeatedly expressed his stance of attaching importance to Japan.

However, an accident in which Taiwan's fishing boat sank in a collision with Japan's patrol ship in waters belonging to the

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Senkaku islands (referred to as Diaoyu by China and Tiaoyutai by Taiwan) has triggered strong criticism of Japan. The Ma administration let nine patrol ships intrude the territorial waters, pressed by pro-Chinese hard-liners in the ruling KMT, straining relations with Japan. This incident has underscored that unlike the Li Teng-hui and Chen governments, which did not strongly insist on Taiwan's sovereignty against Japan, the Ma administration led by the KMT is inclined to adopt a harsh stance toward Japan.

In the background are differences in the views of history between the KMT and the DPP. The KMT has been led by "mainlanders," those and their descendants who came to Taiwan from mainland China. Mainlanders account for 20 PERCENT of the population in Taiwan. They hold harsh views toward Japan. The DPP is a political party formed in the 1980 by those without mainland Chinese roots who experienced Japan's colonial rule. Some of them highly evaluate Japan's colonial rule. These people have relatively strong affinity toward Japan.

There is also a circumstance that there are almost no Japan experts in the Ma administration, according to an informed source. President Ma, Executive Yuan (Premier) Lio Chao-hsuan and National Security Council chief Su Chi are all elite-track mainlanders who obtained PhD's in the U.S., etc. Unlike Li and Chen, there is no atmosphere of attaching special importance to Japan among them. Their interest in Japan is weak. Unlike Chen, President Ma did not refer to Japan in his inauguration speech.

Former President Chen characterized Japan as an ally in terms of sharing security and democracy. However, Ma views Japan as an economic partner. Though Ma has pledged to aim at maintaining the present relationship with Japan, the KMT, which occupies more than two thirds of seats in the Legislative Yuan, has many pro-mainland China and pro-unification members. There is a strong possibility of the Ma administration coming up with a bullish stance toward Japan over the sovereignty issue and the view of wartime history.

Japan had deep relations with pro-Japanese Japanese-speaking generations, such as Li. However, those generations are gradually retiring from the political and business scenes. Newly emerging generations are those as represented by Ma, who received the KMT's China-centered history education in post-war years.

Compared with Japanese-speaking generations, as represented by Li, and young people attracted by new fads in Japan, the view of Japan held by Ma's generation is relatively harsh.

It is necessary for Japan to pursue a dialogue with Taiwan, which is important to it in security terms, by squarely looking at the reality that Taiwan has become biased toward mainland China (DPP), compared with the times during the Li and Chen administrations and the actual situation in which residents are harboring a complex feeling toward Japan. The Ma administration is asking Japan to sign a free trade agreement and a fisheries agreement with Taiwan and expand exchanges of students. Japan should perhaps hurry to nurture Japan experts in Taiwan as well as to offer more assistance to it so that it can take part in international frameworks, such as the World Health Organization.

(5) Japan seeks positive results by softening stance in call for setting up working group to normalize IWC

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June 25, 2008

(Matsuo, Santiago)

In negotiations on the whaling issue, Japan has been exceptionally outspoken but without losing its composure, even in face of criticism from Europe and the U.S. The 60th International Whaling commission (IWC) annual meeting began in Santiago, the capital of Chile, on June 23. Here, Japan, despite public calls for the government to take a tough attitude in reaction to radical protests and acts of sabotage by radical environmental groups. Nonetheless, it remains to be seen whether the new strategy will produce positive results. The assembly this year is likely to be crucial for Japan in auguring what its diplomatic clout might be. In the meantime, the meeting participants agreed in an unofficial meeting on June 24 to set up a working group to normalize the IWC.

To make changes to key items in the IWC, it is necessary to gain support from three fourths of all member countries. In recent years, though, the IWC has been split into those countries opposed to whaling and others that favor of it. With both sides maneuvering to win over the majority, it has become near impossible to gain the necessary three-fourths support. One negotiator grumbled: "The IWC is gradually losing its influence as an international organization."

Irritated at the current state of the IWC, Japan hinted at the convention in Anchorage last year about the possibility of its leaving the IWC. Japan desperately wants to resume commercial whaling. In reaction to the acts of sabotage by the radical environmental group Sea Shepherd and the protest activities of Greenpeace Japan, members of which were recently arrested by Aomori Prefectural Police (for theft and trespassing), public opinion in Japan has hardened.

Yet, Japan in the assembly this year indicated its eagerness to "normalize" discussions at the IWC, while giving up its annual request for a vote on its proposal to resume coastal whaling for small species.

This policy change stems from the expectation that Chairman William Hogarth will demonstrate leadership at this year's conference. Although Hogarth comes from the U.S., an anti-whaling country, he has expressed concern about the recent state of the IWC. He has moved to set up the groundwork for talks in which both sides can compromise. That has included bringing in an expert on international disputes, who played an active role in concluding negotiations ending the Salvadoran Civil War in the mid-1980s.

A negotiator representing Japan on the 23rd said, "We would like to spend plenty of time discussing the future of the IWC." Other countries also agreed to refrain from haggling over a submission of a resolution, as they did in the past meetings. As it stands, the annual meeting this year made a peaceful start.

Japan has noticed that forces opposed to whaling are now split into hard-liners and soft-liners. A source in the delegation said: "There is the possibility that the U.S. may play a mediating role, in contrast to Britain, Australia and other hard-liners." The process of normalizing discussion at the IWC will be a long haul, but the Japanese representative said: "The decision to set up a working

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group as an arena for comprehensive talks on normalizing the IWO is one successful result of the convention."

The conclusion drawn is that it is better for countries to reach some kind of accommodation, even if that means a certain level of concession, rather than to remain at odds. The measure of success for Japan's abrupt policy switch in whaling negotiations will be whether progress is made in future negotiations.

(6) Editorial: Japan will continue pursuing the abduction issue even after the North is delisted as a state sponsor of terrorism

ASAHI (Page 3) (Full)

June 25, 2008

The countdown has begun for North Korea to present a nuclear declaration to the six-party talks and for the United States to delist the North as a state sponsor of terrorism.

Delisting would bring benefits to the North, such as loans from international organizations. That is why the United States has used it to prompt the North to take action and Japan has relied on it to bring the abduction issue to a settlement.

In reality, there has been no progress on the abduction issue. Families of abductees fear that if the United States abandons the leverage now, the abduction issue will be left behind. Their fear is understandable.

The North has been behaving insincerely even after admitting to abducting Japanese nationals. In the recent Japan-DPRK talks, Pyongyang accepted Tokyo's request for a reinvestigation into the abduction issue. Is it going to be a thorough reinvestigation? It is natural to have doubts about the North's intention.

There is also a need to take a look at another aspect.

During the former Abe administration, Japan applied strong pressure and imposed independent sanctions on North Korea partly in response to its unforgivable acts, such as a nuclear test. The abduction issue did not move forward.

As seen in its promise to conduct a reinvestigation, North Korea has recently changed its stance toward Japan. That is because the U.S.-DPRK talks have advanced and the six-party talks have come to a turning point leading to nuclear abandonment.

Secretary of State Condoleezza Rice has described a combination of a nuclear declaration and delisting as the best option. The United States is certain to have some doubts about whether it can achieve its ultimate goal of ridding North Korea of its nuclear programs.

There are not many pragmatic means available. Carrots and sticks must be used in order to drag North Korea out.

The same can be said for the abduction issue.

We must not forget that the matter does not end with delisting.

The North is trying to ensure its safety in return for abandoning its nuclear program by normalizing relations with the United States and to obtain economic aid from Japan by establishing diplomatic

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ties with Tokyo.

Japan's position is that there will be no diplomatic normalization unless the abduction issue is settled. In other words, North Korea will not get a quid pro quo from Japan unless it takes step toward resolving the abduction issue. That will not change even after the North is delisted as a terrorism-sponsoring nation.

The more the nuclear issue moves forward, the more significant Japan's trump card becomes. The important thing is that North Korea presents a nuclear declaration substantial enough to move on to the next phase of scrapping its nuclear programs.

Foreign Minister Masahiko Koumura indicated in a press conference yesterday that Japan will urge the United States to thoroughly verify the North's action.

Japan's diplomatic courage will finally be tested.

SCHIEFFER